



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) for authorization to: (1) issue Debt Securities in an aggregate principal amount up to \$3,050 million of debt capital, in addition to previously-authorized amounts; (2) issue Roll-Over Debt Securities in an aggregate principal amount up to \$1,050 million of debt capital, in addition to previously-authorized amounts; (3) include certain features in the Debt Securities or to enter into certain derivative transactions related to underlying debt in order to improve the terms and conditions of the debt portfolio and with the goal of lowering the cost of money for the benefit of ratepayers; (4) hedge planned issuances of Debt Securities; and (5) take all other necessary, related actions.

Application 22-04-____
(Filed April 15, 2022)

APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)

(Public Version)

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April 15, 2022

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**BEFORE THE PUBLIC UTILITIES COMMISSION
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Application 22-04-____
(Filed April 15, 2022)

APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)

Pursuant to Sections (“§”) 816-830, and 851 of the California Public Utilities Code (“P.U. Code”) and Rules 2.1, *et seq.* and 3.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”), San Diego Gas & Electric Company (“SDG&E” or “Applicant”) requests authorization from the Commission to:

1. Issue First Mortgage Bonds (“FMBs”), debentures, overseas indebtedness, foreign securities, long-term loans, accounts receivable financing, tax exempt debt securities in order to guarantee the obligations of others, variable-rate debt, and “fall-away” FMBs (collectively, “Debt Securities”) as further described in Section IV, in an aggregate principal amount of up to \$3,050 million of new debt capital, in addition to previously authorized amounts. SDG&E’s management or Board of Directors will determine the principal amount and the terms and conditions of each issue of Debt Securities according to market conditions at the time of sale;
2. Issue Roll-Over Debt Securities in an aggregate principal amount up to \$1,050 million of debt capital, in addition to previously authorized roll-over debt amounts;
3. Include certain features in SDG&E’s Debt Securities as further described in Section V or to enter into certain derivative transactions related to underlying

debt in order to improve the terms and conditions of SDG&E's debt portfolio and with the goal of lowering SDG&E's cost of money for the benefit of ratepayers;

4. Hedge, when appropriate, existing or planned issuances of Debt Securities within reasonable limits established by the Financing Rule; and
5. Take all other necessary and related actions (as described in Section XII).

The authorization requested in this Application ("A.") is in addition to the unused authority previously granted by the Commission in Decisions ("D.") 20-04-015, D.18-02-012, D.10-10-023, D.06-05-015, D.04-01-009, and D.93-09-069.

SDG&E respectfully requests that the Commission commence and conclude its review and determinations regarding this Application as soon as possible to enable SDG&E to maximize its opportunities to proceed with its capital investment plans in the most opportune circumstances and fund the expenditures approved by the Commission.

I. INTRODUCTION

SDG&E is requesting additional long-term financing authority to continue to fund safety and reliability capital investments. SDG&E's capital expenditures center around California's regulatory priorities, including wildfire safety and the integrity and safety of our gas infrastructure, along with technology investments. SDG&E's estimate of its long-term financing requirements for 2023 – 2025 is based on capital investment plans approved in SDG&E's 2019 General Rate Case¹ and other capital-related filings. SDG&E continues to make significant capital investments to reduce the risk of wildfires, strengthen community resiliency, and harden the electric grid by replacing wood poles with steel poles, undergrounding power lines and other measures. SDG&E's capital plan also includes

¹ See D.19-09-051, addressing the Test Year 2019 General Rate Cases of SDG&E and SoCalGas Companies (September 26, 2019) at 14, and Ordering Paragraph 4(b) at 776.

investments in electric vehicle infrastructure, energy storage and grid modernization, in support of California's clean energy goals.

In addition, SDG&E plans to make significant investments to support the integrity and modernization of our gas infrastructure, enhancements to emphasize safety in electric transmission and distribution, and in mitigation strategies for risks identified in the Risk Assessment Mitigation Phase ("RAMP") proceeding.²

The investments outlined above are necessary for SDG&E to carry out its capital program focused on providing clean, safe, and reliable energy to SDG&E's service territory, in an environmentally compliant manner. Capital investment projections are updated as part of SDG&E's financial plan and are subject to substantial changes from year to year as business conditions and regulatory/legislative requirements evolve. In considering these capital spending estimates, it is important to emphasize that variability is inherent in financial planning and as conditions change the forecasts presented herein may change.

To fulfill the objectives discussed above, SDG&E requests herein authority to issue various kinds of long-term debt. These securities and their features are described below and are supported in further detail in Schedule III-A, attached hereto. Judicious use of long-term securities with the features described in this Application will allow SDG&E to raise, in a variety of capital-market settings, the funds necessary to serve its customers at the lowest cost and fund the expenditures approved by the Commission.

² A.21-05-011, Application of SDG&E to Submit Its 2021 RAMP Report (May 17, 2021). SDG&E's first RAMP Report was addressed in Investigation ("I.") 16-10-015, Order Instituting Investigation Into the November 2016 Submission of San Diego Gas & Electric Company's Risk Assessment and Mitigation Phase (October 27, 2016).

SDG&E respectfully requests that the Commission commence and conclude its review and determinations regarding this Application as soon as possible to enable SDG&E to maximize its opportunities to proceed with its capital investment plans in the most opportune circumstances. As the financial market appears to be entering into a period of expected higher financing costs, prompt consideration of this Application will allow SDG&E the opportunity to meet its financing needs at the lowest cost pending market conditions.

II. BACKGROUND

A. Remaining Long-Term Debt Authority

As presented in Table 1 below, SDG&E's currently remaining long-term debt financing authority was granted by D.20-04-015, which authorized the issuance of long-term debt capital up to \$2,300 million. Through the month ending March 2022, SDG&E has utilized \$1,883 million of the long-term debt authority granted by D.20-04-015, and plans to issue another \$200 million prior to December 31, 2022, leaving \$217 million of remaining authority. For reasons mentioned above, SDG&E anticipates issuing approximately \$3,250 million in new long-term debt over the next three years (2023 through 2025); therefore, SDG&E will require an additional \$3,050 million of long-term debt financing authority that is incremental to the currently remaining authority of \$217 million.

Table 1
CPUC Debt Authority
Summary of Requested Debt Authority
(\$ millions)

	New Debt	Rollover Debt	Total
Remaining CPUC Authority at March 31, 2022	\$417	\$302	\$719
Planned debt authority usage in 2022	200	0	200
On-hand authority for 2023-2025 usage	\$217	\$302	\$519
Projected debt authority usage in 2023-2025	3,250	850	4,100
Potential refinancing of existing debt in 2023-2025		500	500
New authority needed 2023-2025 *	(\$3,033)	(\$1,048)	(\$4,081)
Authority Requested in this Application	\$3,050	\$1,050	\$4,100

* To account for potential variability in timing and scope of capital expenditures, SDG&E is rounding this amount to insure adequate financing.

As reflected in Table 1 above, SDG&E has \$302 million of existing remaining “roll-over” long-term debt authority for refinancing existing debt. SDG&E plans to use roll-over authority to replace long-term debt maturities (Series NNN) in 2023 of \$450 million and 24-month Term Loan in 2024 of \$400 million. Additionally, SDG&E finds it prudent to seek additional roll-over authority given the current interest rate environment. Thus, it is in the ratepayers’ best interest for SDG&E to be pre-positioned to act upon potential refinancing opportunities that could reduce SDG&E’s embedded cost of debt. Consequently, SDG&E requests a total of \$1,050 million of additional roll-over long-term debt authority in addition to the currently remaining roll-over authority noted above. This \$1,050 million of roll-over authority will be used for retirements or refinancing of securities previously issued and which SDG&E previously paid a fee; therefore, this amount is excluded from the fee calculation reflected in Schedule X, attached hereto. If SDG&E intends to use any of the additional roll-over authority it currently expects for potential refinancing opportunities of securities instead for capital expenditures, SDG&E will notify the Commission and pay the corresponding fee before making such use.

In summary, the financing authority requested by this Application is necessary to support SDG&E's forecasted capital investments in 2023 through 2025, as discussed in Section I, including Commission-mandated initiatives, significantly exceeds the currently unused portion of the existing debt authorizations. SDG&E expects to issue new long-term debt over 2023 through 2025, as presented in Schedule III-A. As for years subsequent to 2025, SDG&E expects it will also have subsequent financing requirements. Additional information about the requested authorizations is provided below.

III. USE OF PROCEEDS

SDG&E intends to apply the net proceeds from the proposed debt capital financings for: (1) various SDG&E capital projects, (2) reimbursing SDG&E's treasury for monies expended or planned to be expended for the expansion and enhancement of its utility plant, and (3) potential contingencies such as unforeseen capital needs or financial market disruptions. Should there be another market dislocation similar to 2008-2009, SDG&E could be forced to issue securities with short maturities which would then need to be refinanced in the near term, possibly within the 2023 through 2025 window, using additional authority. Without sufficient financing authorizations in place, SDG&E may be unable to efficiently refinance such maturing debt. Further detail on these uses is included in Schedules I and III-A.

IV. DESCRIPTION OF DEBT SECURITIES

The following describes the types of Debt Securities that may be issued. Optional features designed to enhance the terms and conditions of the Debt Securities are described in Section V of this Application. SDG&E is requesting all of the same types of Debt Securities requested in its previous long-term debt financing application, A.19-10-015, which was approved by the Commission in D.20-04-015.

In general, each series of Debt Securities is expected to have a maturity of between one (1) year and one hundred (100) years. With the exception of long-term loans and accounts-receivable financings (as discussed below), each issue of Debt Securities may be issued under an indenture or a supplement to an existing indenture to be delivered to the trustee for such issue. The indenture or supplemental indenture would set forth the terms and conditions of each issue of Debt Securities.

A. Secured Debt

Secured debt may be secured by a lien on property or through other credit-enhancement arrangements described in Section V, below. FMBs will be issued in accordance with SDG&E's trust indenture dated July 1, 1940, as amended and supplemented and which heretofore has been filed with the Commission. The supplemental indenture delivered in connection with each new series of FMBs will be in a form consistent with supplemental indentures previously filed with the Commission.

Secured debt may be sold to either domestic or foreign investors. It may be sold to underwriters who in turn will offer the secured debt to investors, or it may be sold directly to investors either with or without the assistance of a private placement agent. Secured debt may be registered with the Securities and Exchange Commission ("SEC"), depending on the method of offering and sale, and may be listed on a stock exchange. In certain instances, SDG&E may enter into contractual agreements whereby a third party will provide appropriate credit facilities as security for a secured debt issue. "Sustainability, including Green or Social, or Sustainability-linked bonds" may also be used to finance the development of environmentally friendly projects. The cost of the credit facilities will be included in determining the issue's overall cost.

B. Unsecured Debt (“Debentures”)

Debentures may be sold to either domestic or foreign investors. They may be sold to underwriters who in turn will offer the debentures to investors, or they may be sold directly to investors either with or without the assistance of a placement agent. They may also be sold as “green bonds” used to finance the development of environmentally friendly projects.

Debentures may be registered with the SEC and may be listed on a stock exchange.

Unsecured debt may be senior or subordinated.

C. Foreign Capital Markets

Debt Securities issued by SDG&E in foreign capital markets may be denominated in, or proceeds from their sale received in, United States (“U.S.”) dollars or in other currencies. International bond issuance is commonly separated into two categories, U.S.-pay and foreign-pay. The U.S.-pay international bond market consists primarily of Eurodollar bonds, which are issued and traded outside of the U.S. and denominated in U.S. dollars. The foreign-pay, or simply foreign, bond market describes issues sold in a country outside of the U.S. in the local currency.

Certain circumstances may make international borrowing attractive to a U.S. utility. Competition among global investment banks may create low-cost offshore funding opportunities. Foreign bond markets may have a better appetite for a particular debt security than domestic markets. Finally, a domestic utility may find international markets more accessible during a time when domestic bond markets are not. To reduce or eliminate the risk of currency fluctuations, SDG&E may engage in currency swaps (defined below) or other arrangements.

D. Direct Long-Term Loans

SDG&E may enter into long-term loans, Debt Securities with a maturity of greater than one year, pursuant to a line of credit with banks, insurance companies, or other financial institutions. SDG&E may enter into loans when it finds that interest rates or other circumstances make it attractive to do so.

E. Accounts-Receiveable Financing

SDG&E may issue Debt Securities secured by a pledge, sale or assignment of its accounts receivable. SDG&E anticipates that the transactions would be structured to be a true sale for bankruptcy purposes, a sale for financial reporting, and debt for tax purposes although other structures may be developed using accounts receivable as security or collateral.

Because an accounts receivable financing would be an encumbrance on utility properties to the extent that accounts receivable are considered to be utility property, SDG&E requests authorization under P.U. Code § 851 to mortgage and encumber utility property.

F. Tax-Exempt Debt

SDG&E anticipates that from time to time the cost of SDG&E's Debt Securities may be reduced by placing such securities with one or more political subdivisions ("Authority") and unconditionally guaranteeing or otherwise securing such Authority's obligations in respect of its issuances of tax-exempt debt in connection with the financing of SDG&E's facilities. SDG&E anticipates having the ability to use the tax-exempt option whenever: (1) its facilities qualify for tax-exempt financing under federal law, either as eligible pollution control facilities or facilities that may be financed by tax-exempt revenue bonds under the "two-county" rule, and (2) it receives sufficient "volume cap," or tax-exempt borrowing authority, from the California Debt Limit Allocation Committee ("CDLAC"). Such tax-exempt financings may be structured substantially as follows:

1. An Authority would issue and sell one or more series of its bonds, notes, debentures or other securities (“Authority Bonds”) to a group of underwriters who would ultimately market such Authority Bonds to investors. Concurrently with the sale and delivery of such Authority Bonds and in consideration for the proceeds of the Authority Bonds, SDG&E would enter into a loan agreement or other security agreement with the Authority, or would enter into an installment- sale agreement with the Authority pursuant to which the eligible facilities would be conveyed to the Authority in consideration for the proceeds of the Authority Bonds, and the eligible facilities would be reconveyed to SDG&E in consideration for its Debt Securities. The operation and control of such facilities would remain with SDG&E or the project operator at all times.
2. Concurrently with the sale and delivery of such Authority Bonds, SDG&E would issue and deliver to the Authority, in consideration of the Authority’s obligations set forth in (2) above, SDG&E Debt Securities plus accrued interest (the terms and conditions of such indebtedness would be substantially consistent with the terms and conditions of such Authority Bonds) or would unconditionally guarantee or otherwise secure such Authority's obligations in respect of the Authority Bonds. All rights and title of such Authority in company Debt Securities would be assigned to a trustee under an indenture pursuant to which the Authority Bonds would have been issued as security for the purchasers of the Authority Bonds.

G. Variable-Rate Debt

SDG&E anticipates that from time to time the cost of SDG&E debt may be reduced by issuing variable-rate debt securities. A variable-rate Debt Security includes, but is not limited to, either Debt Securities bearing interest based on the Secured Overnight Financing Rate (“SOFR”), a generally accepted replacement for the London Interbank Offered Rate (“LIBOR”), which is being discontinued, or some other replacement interest rate. A variable-rate Debt Security may also be a Debt Security for which investors possess a series of periodic, mandatory put options that require SDG&E to repurchase all or a portion of the Debt Securities, and which may be coupled with a re-marketing obligation by SDG&E of the repurchased Debt Security.

Certain variable-rate Debt Securities require credit support, such as bank lines. These bank lines may be in the form of a short-term or long-term bank line agreement. Since these

credit facilities are an integral part of the variable-rate debt issuance, such facilities (and any borrowing thereunder) should not be considered by the Commission to count against existing short-term debt authorizations.

H. “Fall-Away” Mortgage Bonds

SDG&E may issue debt that is initially secured and subsequently convertible into unsecured debt, known as “fall-away bonds.” These senior notes are initially secured under their indenture by collateral FMBs issued in equal principal amount under the existing 1940 first mortgage indenture and delivered to the fall-away indenture trustee. Subsequent to the redemption or maturity of all outstanding FMBs (other than the collateral FMBs held by the fall-away indenture trustee), the fall-away bonds will become unsecured general obligations of SDG&E. The fall-away bonds’ indenture will contain a negative pledge clause, which provides that the newly-unsecured obligations will be secured equally with any secured bonds that may be issued in the future. SDG&E may also wish to issue debt that is initially unsecured and subsequently convertible into secured debt.

V. DEBT SECURITY ENHANCEMENTS

SDG&E hereby requests authorization to include certain features in its Debt Securities or enter into certain derivative transactions related to underlying debt. Such measures would be taken when appropriate to improve the terms and conditions of SDG&E’s Debt Securities and to lower the overall cost of money for the benefit of the ratepayers. SDG&E is requesting the same types of security enhancements and related derivative transactions as requested in A.19-10-015 and approved by the Commission in D.20-04-015.

A. Put Options

SDG&E anticipates that from time to time the cost of its Debt Securities may be reduced by the inclusion of a put option. This feature grants to a Debt Security owner the

right to require SDG&E to repurchase all or a portion of that holder's securities, commonly referred to as "putting" the security back to the company. Debt holders are willing to accept a lower interest rate in exchange for the protection against rising interest rates offered by the put option.

B. Call Options

SDG&E anticipates that from time to time it may retain the right to retire, fully or partially, a Debt Security before the scheduled maturity date. This is commonly referred to as "calling" the security. The chief benefit of such a feature is that it permits SDG&E, should market rates fall, to replace the bond issue with a lower-cost issue, thus producing a net benefit to ratepayers.

C. Sinking Funds

SDG&E anticipates that from time to time the cost of SDG&E Debt Securities may be reduced by the use of a sinking fund. A sinking fund typically operates in one of two ways: (1) SDG&E may set aside a sum of money periodically so that at the maturity date of the bond issue there is a pool of cash available to redeem the issue, or (2) SDG&E may periodically redeem a specified portion of the bond issue. Typically, SDG&E would have the right to meet its sinking fund obligations in the latter fashion by either calling a certain number of bonds or purchasing the bonds in the open market.

D. Interest Rate Swaps

An interest rate swap is a contractual agreement between two parties to exchange a series of payments for a stated period. In a typical interest rate swap, one party pays the other fixed-rate interest while the other, in turn, pays floating rate interest, both payment obligations based on a notional principal amount (*i.e.*, no principal exchanged). Swaps are generally used to reduce either fixed-rate or floating-rate costs, or to convert fixed-rate borrowing to floating.

E. Caps and Collars

In order to reduce ratepayers' exposure to interest rate risk on variable-rate securities, SDG&E may negotiate some type of maximum rate, usually called a cap. In that case, even if variable rates increase above the cap (or "ceiling") rate, SDG&E would only pay the ceiling rate. In addition to the ceiling rate, sometimes a counterparty will desire a "floor" rate. In the event that the variable rate falls below the floor rate, SDG&E would pay the floor rate. The combination of a floor and a ceiling rate is called an interest-rate collar because SDG&E's interest expense is restricted to a band negotiated by SDG&E and the counterparty.

F. Currency Swaps

A currency swap is an arrangement in which one party agrees to make periodic payments in its domestic currency, based on either fixed or floating interest rates, to a counterparty, which in turn makes periodic payments to the first party in a different currency. The payments are based on principal amounts that are exchanged at the initiation of the swap and re-exchanged at maturity. Currency swaps are useful in the management of exchange risk and will be used when necessary to hedge exposures created by Debt Securities denominated in foreign currencies.

G. Credit Enhancements

SDG&E may obtain credit enhancements for Debt Securities, such as letters of credit, standby bond purchase agreements, surety bonds or insurance policies, or other credit support arrangements. Such credit enhancements may be included to reduce interest costs or improve other credit terms; and the cost of such credit enhancements would be included in the cost of the Debt Securities.

VI. HEDGING THE ISSUANCE OF SECURITIES

Under certain circumstances, SDG&E may wish to hedge the issuance of Debt Securities. For instance, compliance with legal, regulatory, and administrative matters may preclude SDG&E from acting on a low-cost funding opportunity during a time of market volatility. Conversely, SDG&E may have an immediate need for funds, but it may be reluctant to fix its cost at prevailing interest rates. Issuance-hedging strategies grant the ability to enter financial markets at times when interest rates or other circumstances appear most favorable. SDG&E is requesting in this Application the same types of issuance-hedge techniques requested in A.19-10-015 and approved by the Commission in D.20-04-015.

A. “Price Today, Fund Later” Strategies

These hedges allow SDG&E to lock in today’s interest rate and issue securities at some later date.

1. Treasury Lock

This approach is used to lock in the Treasury component of SDG&E’s borrowing cost. SDG&E’s borrowing cost (*i.e.*, the interest rate paid on bonds) is comprised of two components: the yield on US Treasury bonds of comparable maturity plus the credit spread, the market’s assessment of SDG&E’s ability to service its debt over time. The Treasury lock approach is used to determine in advance the Treasury-yield component of the interest rate that SDG&E will pay on a future bond offering.

SDG&E can delay securities issuance and capture the current Treasury yield by entering into a Treasury lock. If interest rates rise during the hedge period, SDG&E will unwind the hedge at a profit; this will offset the higher coupon of the newly issued securities. If interest rates decline, SDG&E will unwind the hedge at a loss, but this will be offset by the lower cost of the newly issued securities.

2. Treasury Options

The purchase of Treasury put options is an alternative to the Treasury lock. In this transaction, SDG&E would purchase put options entitling it to sell Treasury securities of a maturity comparable to that of the contemplated security issuance at a specified yield (the “strike yield”) at any time before the option's expiration date. If interest rates rise above the put’s strike yield, SDG&E will exercise the put and the resulting profit offsets the increased cost of borrowing. If interest rates decline, SDG&E will let the option expire as worthless and issue securities at prevailing lower rates.

3. Interest Rate Swaps

A forward-starting interest rate swap allows SDG&E to delay a securities issuance and capture current yields. As the fixed-rate payer in an interest rate swap, SDG&E hedges its borrowing cost: if interest rates rise, unwinding the swap at a profit offsets higher borrowing costs. Conversely, if rates decline, lower borrowing costs offset the loss caused by unwinding the swap.

B. “Fund Today, Price Later” Strategies

These hedges allow SDG&E to fund immediately and price the securities at some future date.

1. Long Hedge

This approach allows SDG&E to issue now and capture its current credit spread but leave the all-in cost of the securities issue open. SDG&E establishes a long hedge by issuing securities today and investing the proceeds in Treasury securities of a comparable maturity. If interest rates subsequently decline, the gain in the value of the Treasury portfolio will compensate SDG&E for the lost opportunity to finance at lower rates. On the other hand, if rates rise, the interest expense savings realized by issuing immediately will be offset by the

decline in value of the Treasury portfolio. Thus, the Treasury component of SDG&E's effective borrowing cost will be determined by the Treasury rates prevailing when it chooses to unwind the hedge; the credit spread is determined at the time of issuance.

2. Treasury Options

The purchase of Treasury call options is an alternative to the long hedge. With this approach, SDG&E would issue securities today and purchase call options on Treasury securities of a comparable maturity. Such a call option allows the holder to purchase Treasury securities at a specified yield (the “strike yield”) any time before the expiration date. If rates decline below the strike yield, exercising the option produces a gain used to offset the interest cost of the securities issued today. If interest rates rise above the strike yield, the option will expire unexercised. In this case SDG&E benefits from the lower borrowing rate.

3. Interest Rate Swaps

A forward-starting interest rate swap allows SDG&E to issue securities immediately and benefit from a subsequent fall in interest rates. As the floating-rate payer in an interest rate swap, SDG&E hedges its borrowing cost: if interest rates decline, unwinding the swap at a profit will compensate SDG&E for the lost opportunity to finance at lower rates. Conversely, if rates rise, the interest expense savings realized by issuing immediately will be offset by the loss caused by unwinding the swap.

VII. COMPLIANCE WITH THE FINANCING RULE

In D.12-06-015, the Commission adopted the Utility Long-Term Debt Financing Rule (the “Financing Rule”), replacing the Competitive Bidding Rule that had previously governed the issuance of Debt Securities.

In accordance with the Financing Rule, SDG&E intends to: (1) prudently issue debt consistent with market standards with the goal of achieving the lowest long-term cost of

capital for ratepayers, (2) determine the financing term of its debt issues with due regard for its financial condition and requirements, (3) use its best efforts to encourage, assist, and include Women, Minority, Disabled Veteran-Owned Business Enterprises (“WMDVBEs”) in various types of underwriting roles on Debt Securities offerings, (4) utilize Debt Security Enhancements only in connection with Debt Securities financings, and (5) adhere to the Financing Rule’s restrictions on the use of swap and hedging transactions.

Additionally, SDG&E will comply with the debt-issuance reporting requirements defined in General Order 24-C, also established in D.12-06-015.

VIII. FEES

A fee of \$1,531,000 will be payable under P.U. Code § 1904(b) upon the Commission’s approval of the authorization requested in this Application. The calculation of the fee is shown in Schedule X, attached hereto.

IX. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (d)

This Application is filed pursuant to P.U. Code §§ 816-830 and 851 and complies with applicable orders of the Commission and the Commission’s Rules of Practice and Procedure. In accordance with Rule 2.1 (a) – (d) of the Commission’s Rules of Practice and Procedure, SDG&E provides the following information.

1. Rule 2.1 (a) – Legal Name

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E’s principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E’s attorney in this matter is Paul A. Szymanski.

2. Rule 2.1 (b) – Correspondence

Correspondence or communications regarding this Application should be addressed to:

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3. Rule 2.1 (c)

a. Proposed Category of Proceeding

SDG&E's previous two long-term debt financing proceedings, A.19-10-015 and A.17-08-017 were categorized as "ratesetting" proceedings.³ SDG&E proposes that this proceeding also be categorized as a "ratesetting" proceeding.

b. Proposed Schedule and Issues to be Considered

SDG&E does not believe that approval of this Application will require hearings. The previous two long-term debt financing proceedings, A.19-10-015 and A.17-08-017, did not require testimony or evidentiary hearings. SDG&E has provided ample supporting information to create a record which the Commission may grant the relief requested, and this

³ See, e.g., D.18-02-012 at 19; D.20-04-015, Finding of Fact 1 at 17.

information is beyond that normally required by Rule 3.5 of the Commission’s Rules of Practice and Procedure, and P.U. Code §§ 816-830 and 851.

If, however, the Commission finds that a public hearing is necessary, Applicant requests that such hearing be conducted as soon as practicable. Applicant is prepared to proceed with any necessary hearing. Applicant proposes the following procedural schedule:

<u>ACTION</u>	<u>DATE</u>
Application filed	April 15, 2022
Protests filed, if any	30 days after notice of filing in Daily Calendar
ALJ Proposed Decision	September 2022
Comments on Proposed Decision	20 Days After Proposed Decision
Final Commission Decision	October 2022

The issues in this proceeding are whether Applicant should be authorized, pursuant to and consistent with P.U. Code §§ 816-830 and 851, to issue the securities described herein with the features described herein, and whether Applicant should be authorized, where appropriate to be exempt from the Commission’s Competitive Bidding Rules. Applicant is unaware of any specific objections any party might raise to any of these issues.

4. Rule 2.1 (d) – Safety⁴

SDG&E is committed to safety. Based on current information, SDG&E’s long-term debt financing application will not result in any adverse safety impacts on the facilities or operations of SDG&E. In addition, SDG&E will comply with all applicable current safety

⁴ In D.16-01-017, the Commission amended Rule 2.1 to require all applications to include a detailed showing of relevant safety considerations. See D.16-01-017, Ordering Paragraph 1 at 6.

laws, rules and procedures, including SDG&E's internal policies. Therefore, SDG&E requests that the Commission act expeditiously on this Application.

B. Articles of Incorporation - Rule 2.2

A copy of SDG&E's Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was filed with the Commission on September 10, 2014 in connection with SDG&E's application, A.14-09-008, and is incorporated herein by reference.

C. Description of Property and Equipment - Rule 3.5

SDG&E is in the business of generating, transmitting and distributing electric energy to San Diego County and part of Orange County. SDG&E also purchases, transmits and distributes natural gas to customers in San Diego County. SDG&E has electric transmission, distribution and service lines in San Diego, Orange and Imperial Counties. This includes a composite 92% ownership in the 500,000 volt Southwest Powerlink, including substations and transmission lines, which run through San Diego and Imperial Counties to the Palo Verde substation in Arizona. This also includes full ownership of the 500,000 volt Sunrise Powerlink, including substations and transmission lines, which run through San Diego and Imperial Counties to the Imperial Valley substation. Gas facilities consist of the Moreno gas compressor station in Riverside County and the Rainbow compressor station located in San Diego County. The gas is transmitted through high and low-pressure distribution mains and service lines.

A statement of Original Cost and Depreciation Reserve attributable thereto for the nine-month period ending September 30, 2021 is attached as Attachment A.

D. Balance Sheet, Income Statement and Financial Statement - Rule 2.3

Applicant's Balance Sheet, Income Statement and Financial Statement for the nine-month period ending September 30, 2021 are included with this Application as Attachment B.

E. Capitalization

Applicant's regulatory capitalization for the nine-month period ending September 30, 2021, is set forth in Attachment C.

F. Proxy Statement - Rule 3.5

A copy of the most recent proxy statement sent to all shareholders of SDG&E's parent company, Sempra, dated March 29, 2022, was provided to the Commission on April 13, 2022, and is incorporated herein by reference.

G. Service

This is a new application. No service list has been established. Accordingly, SDG&E will serve this Application, attachments, and schedules on parties to the service list for A.19-10-015.

X. ATTACHMENTS

Attachments A through C, described below, are a part of, and incorporated into, this Application:

Attachment A: SDG&E's Original Cost and Depreciation Reserve

Attachment B: SDG&E's Balance Sheet, Income Statement and Financial Statement

Attachment C: SDG&E's Regulatory Capitalization Schedule

XI. SCHEDULES

This Application is supported by Schedules I – XII, attached hereto. Schedule I is a three-year forecast of the Company's capital expenditures. Schedules II through VIII summarizes additional financial information related to this Application as noted on the

heading of each schedule. Schedule IX presents in pro-forma fashion how SDG&E's maximum requested long-term financing would affect the Company's capital structure. The resulting ratios reflect the hypothetical change assuming all the requested financing in this Application was issued in one day. This scenario is not representative of SDG&E's plan as shown in Schedule III-A, attached hereto. Schedule X provides a calculation of the application fee required by Public Utilities Code § 1904(b), and Schedule XI details SDG&E's long-term debt portfolio at December 31, 2021. Schedule XII summarizes SDG&E's current remaining CPUC financing authorities. The schedules follow the same format and content as those that have accompanied SDG&E's previous long-term financing applications. As in previous applications, this Application reflects annual ranges of estimated capital expenditures to project SDG&E's financing needs.

XII. REQUESTED AUTHORIZATIONS

WHEREFORE, Applicant respectfully requests that the Commission issue its Order herein, providing specifically for the following:

1. To issue Debt Securities, in an aggregate principal amount of up to \$3,050 million of new debt capital, in addition to previously-authorized amounts. SDG&E's management or Board of Directors will determine the principal amount and the terms and conditions of each issue of Debt Securities according to market conditions at the time of sale;
2. To issue Roll-Over Debt Securities in an aggregate principal amount up to \$1,050 million of debt capital, in addition to previously-authorized Roll-over debt amounts;
3. To issue certain tax-exempt Debt Securities in order to guarantee the obligations of others;
4. To include certain features in SDG&E's Debt Securities or to enter into certain derivative transactions related to underlying debt in order to improve the terms and conditions of SDG&E's debt portfolio and with the goal of lowering SDG&E's cost of money for the benefit of ratepayers;

5. To hedge, when appropriate, planned issuances of Debt Securities within reasonable limits established by the new Financing Rule; and
6. To take all necessary and related actions, including but not limited to:
 - a. Specifically finding, as required by P.U. Code § 818, that in the opinion of the Commission, the money, property or labor to be procured or paid for by such issues is reasonably required for the purposes so specified, and that, except as otherwise permitted in the order in the case of bonds, notes, or other evidence of indebtedness, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
 - b. Providing that the authority granted in such Order shall be effective upon payment of the fee prescribed in P.U. Code §§ 1904(b) and 1904.1, which is computed to be \$1,531,000.
 - c. Providing that if SDG&E intends to use any portion of the authority described in Section III that it currently expects to use for the potential refinancing of securities previously issued instead for capital expenditures, it shall notify the Commission and pay the corresponding fee before making such use.
 - d. Providing that the authority granted in such Order shall be in addition to the authority previously granted in D.20-04-015, D. 18-02-012, D.10-10-023, D.06-05-015, D.04-01-009, and D.93-09-069.
 - e. Granting such additional authorizations as this Commission may deem appropriate.

Assuming the Commission approves the authorizations requested in this Application, SDG&E respectfully requests that the Commission incorporate the specific language set forth above in its Ordering Paragraphs. Based on SDG&E's experience, the specific language above will provide the necessary assurances to the Company's underwriters and outside counsel, who will rely on the Commission's Ordering Paragraphs to establish that SDG&E has in fact acquired the requisite regulatory authority to engage in the issuances of the Debt Securities addressed herein.

Lastly, SDG&E respectfully requests that the Commission commence and conclude its review and determinations regarding this Application as soon as possible to enable SDG&E to

maximize its opportunities to proceed with its capital investment plans in the most opportune circumstances and fund the expenditures approved by the Commission.

Respectfully submitted this 15th day of April 2022.

Respectfully submitted,

/s/ Paul A. Szymanski

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Attorney for:
San Diego Gas & Electric Company

SAN DIEGO GAS & ELECTRIC COMPANY

/s/ Valerie A. Bille

Valerie A. Bille
San Diego Gas & Electric Company
Vice President, Controller, and Chief Accounting Officer

DATED at San Diego, California, this 15th day of April 2022

OFFICER VERIFICATION

Valerie A. Bille declares the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on April 15, 2022, at San Diego, California.

/s/ Valerie A. Bille

Valerie A. Bille
San Diego Gas & Electric Company
Vice President, Controller, and Chief Accounting Officer

Schedules

- Schedule I – Construction Estimates - **Confidential**
- Schedule II – 2023-2025 Monthly Cash Flow Projections - **Confidential**
- Schedule III-A – Statement of Cash Requirements for the Years 2023, 2024, and 2025 - **Confidential**
- Schedule III-B – Amount and Percentage of Internal Funds Provided - **Confidential**
- Schedule IV – Statement of Unreimbursed Construction
- Schedule V – Fiscal Year 2021 Revenue Data
- Schedule VI – 2019 – 2021 Historical Financing Data
- Schedule VII – 2022 Financing
- Schedule VIII – Short-Term Financing in Excess of CPUC Code § 823 © Allowance
- Schedule IX – Capital Ratios as of December 31, 2021 and Pro-forma – **Confidential**
- Schedule X – Computation of Fee
- Schedule XI – Debt Outstanding

Schedule I

San Diego Gas & Electric Company Construction Estimates (\$ millions)

	2023	2024	2025
Elect Dist., Gas T&D, and Generation	██████████ ██████████	██████████ ██████████	██████████ ██████████
Electric Transmission	██████ █████	██████ █████	██████ █████
Total Cash Required for Construction Expenditures	=====	=====	=====

Schedule II

San Diego Gas & Electric Company 2023 Monthly Cash Flow Projections (\$ millions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2023
Cash (short-term debt) beginning balance	■	■	■	■	■	■	■	■	■	■	■	■	■
Change in Free Cash Flow ¹	■	■	■	■	■	■	■	■	■	■	■	■	■
Common Dividends ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Issuances ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Redemptions & Maturities ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Cash (short-term debt) ending balance	■	■	■	■	■	■	■	■	■	■	■	■	■

¹Projections are based on current cash flow estimates and are subject to change.

²Common dividends and financings are subject to change.

Schedule II

San Diego Gas & Electric Company 2024 Monthly Cash Flow Projections (\$ millions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2024
Cash (short-term debt) beginning balance	■	■	■	■	■	■	■	■	■	■	■	■	■
Change in Free Cash Flow ¹	■	■	■	■	■	■	■	■	■	■	■	■	■
Common Dividends ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Issuances ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Redemptions & Maturities ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Cash (short-term debt) ending balance	■	■	■	■	■	■	■	■	■	■	■	■	■

¹Projections are based on current cash flow estimates and are subject to change.

²Common dividends and financings are subject to change.

Schedule II

San Diego Gas & Electric Company 2025 Monthly Cash Flow Projections (\$ millions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2025
Cash (short-term debt) beginning balance	■	■	■	■	■	■	■	■	■	■	■	■	■
Change in Free Cash Flow ¹	■	■	■	■	■	■	■	■	■	■	■	■	■
Common Dividends ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Issuances ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Long Term Debt Redemptions & Maturities ²	■	■	■	■	■	■	■	■	■	■	■	■	■
Cash (short-term debt) ending balance	■	■	■	■	■	■	■	■	■	■	■	■	■

¹Projections are based on current cash flow estimates and are subject to change.

²Common dividends and financings are subject to change.

Schedule IIIa

San Diego Gas & Electric Company Statement of Cash Requirements for the Years 2023, 2024 and 2025 (\$ millions)

	2023	2024	2025
Funds for construction (capital expenditures)	████████	████████	████████
Maturing long-term debt ¹	██████	██████	
Beginning of year cash (short-term debt) balance	██████	██████	██████
Subtotal	████████	████████	████████
Less: Estimated cash from internal sources	██████	██████	██████
External funds required	████████	████████	████████
External funds provided & common dividends paid:			
Common dividends	██████	██████	██████
Preferred stock ²			
Long-term debt issuances ²	██████	██████	██████
End of year cash (short term debt) balance	██████	██████	██████

¹See previous page for detailed breakdown.

²Amount ultimately raised will be a function of the Company's access to long-term capital markets at the time funds are required & the updated cash flow forecast at the time of issuance.

Schedule IIIb

San Diego Gas & Electric Company
Amount and Percentage of Internal Funds Provided
(\$ millions)

<u>Year</u>	<u>Internal Sources</u>	<u>Internal Sources as % Construction Expenditures</u>
2023	██████████	██████████
2024	██████████	██████████
2025	██████████	██████████

Schedule IV

San Diego Gas & Electric Company Statement of Unreimbursed Construction

Net utility plant		\$ 15,561,692,303
Net proceeds from securities:		
Preferred stock	\$ -	
Common stock	(1,093,623,763)	
Premium on capital stock	(591,282,978)	
Long-term debt	<u>(6,416,319,110)</u>	
Total net proceeds		\$ (8,101,225,851)
Advances for construction		<u>(23,608,256)</u>
Total deductions		<u>(8,124,834,108)</u>
Unreimbursed construction as of December 31, 2021		<u><u>\$ 7,436,858,196</u></u>

Schedule V

San Diego Gas & Electric Company

Fiscal Year 2021 Revenue Data¹

(\$ millions)

Company operating revenue	\$5,504
California operating revenue	\$5,504
California operating revenue % company	100%
Company net income before preferred dividend & call requirements	\$819

¹All figures above are 2021 actuals.

Schedule VI

San Diego Gas & Electric Company 2019 - 2021 Historical Financing Data

Date	Transaction	Principal amount (\$ million)
May 2019	Issued first-mortgage bond Series TTT	\$400.0
April 2020	Issued first-mortgage bond Series UUU	\$400.0
September 2020	Issued first-mortgage bond Series VVV	\$800.0
December 2020	Paydown CV IDB Bond Series 2004A-2004F	(\$251.0)
August 2021	Issued first-mortgage bond Series WWW	\$750.0
August 2021	Maturity of Series JJJ First Mortgage Bonds	(\$350.0)
	Total	\$1,749.0

Schedule VII

San Diego Gas & Electric Company 2022 Financing

Date	Transaction	Principal amount (\$ million)
Actual:		
February 2022	2-Year Term loan ⁽¹⁾	\$200
March 2022	Issued first-mortgage bond Series XXX	\$500
March 2022	Issued first-mortgage bond Series YYY	\$500
Forecast:		
May 2022	2-Year Term loan ⁽¹⁾	\$200

¹On February 18, 2022, SDG&E entered into a \$400 million, two-year term loan with a maturity date of February 18, 2024. SDG&E borrowed \$200M in February and is expected to borrow the remaining \$200M in May.

Schedule VIII

San Diego Gas & Electric Company
Short-Term Financing in Excess of CPUC Code §823 (c) Allowance
(\$ thousands)

	<u>December 31, 2021</u>
Common stock issued	\$1,093,624
Preferred and preference stock	-
Long-term debt (excluding capital leases)	<u>6,416,319</u>
Total capitalization at December 31, 2021	<u><u>7,509,943</u></u>
5% allowed by CPUC Code §823 (c)	375,497
Maximum anticipated amount of short-term debt	<u>950,497</u>
Total excess financing authority required	575,000
Current excess financing authority approved in decision D.19-05-009	<u>575,000</u>
Additional short-term financing authority requested in this application	<u><u>-</u></u>

Schedule IX

San Diego Gas & Electric Company
Capital Ratios as of December 31, 2021 and Pro-forma
(\$ thousands)

	12/31/21 Actual		¹ Pro-forma, remaining capacity to authorized equity ratio	
	\$	%	\$	%
Long-term Debt				
Long-term debt ²	\$6,416,319		[REDACTED]	
<i>Requested new long-term borrowing authority</i>			[REDACTED]	
<i>Currently remaining long-term borrowing authority</i>			[REDACTED]	
Less: After-tax loss on reacquired debt	(4,660)		[REDACTED]	
Total long-term debt	<u>6,411,659</u>	<u>43.7%</u>	<u>[REDACTED]</u>	<u>45.25%</u>
Preferred Equity				
Current balance	0		[REDACTED]	
<i>Additional Preferred Equity to achieve CPUC target:</i>			[REDACTED]	
Total preferred equity	<u>-</u>	<u>0.0%</u>	<u>[REDACTED]</u>	<u>2.75%</u>
Common Equity				
Common equity held by Sempra Corp. ³	8,259,000		[REDACTED]	
<i>Additional Common Equity to achieve proposed CPUC target:</i>			[REDACTED]	
Total common equity	<u>8,259,000</u>	<u>56.3%</u>	<u>[REDACTED]</u>	<u>52.00%</u>
Total Capitalization	<u><u>14,670,659</u></u>	<u><u>100.0%</u></u>	<u><u>[REDACTED]</u></u>	<u><u>100.0%</u></u>

¹ The above pro forma ratios demonstrate how SDG&E's maximum requested and currently existing long-term debt authority would affect SDG&E's capital structure if it were all issued on December 31, 2021. Additionally, the pro forma assumes that additional common and preferred equity is added to balance out the resulting capital structure towards CPUC authorized targets of 52% common, 2.75% preferred and 45.25% long-term debt. The resulting ratios reflect a hypothetical case that assumes all of the requested debt authority is added in one day, along with additional preferred and common equity amounts, that would achieve SDG&E's CPUC authorized capital ratios.

² Excludes capital leases.

³ Excludes capital leases.

Schedule X

San Diego Gas & Electric Company Computation of Fee

Item	Amount	Rate	Fee
\$3,050 million of long-term borrowing authority	\$ 1,000,000	\$2 per thousand	\$ 2,000
	9,000,000	\$1 per thousand	9,000
	<u>3,040,000,000</u>	\$0.50 per thousand	<u>1,520,000</u>
	<u>\$ 3,050,000,000</u>	Total fee required	<u>\$ 1,531,000</u>

Schedule XI

San Diego Gas & Electric Debt Outstanding December 31, 2021

<u>No.</u>	<u>Type</u> ¹	<u>Bond</u>	<u>Maturity</u>	<u>Principal (\$ millions)</u>
1	FMB	Series BBB	May 2035	250.0
2	FMB	Series DDD	June 2026	250.0
3	FMB	Series FFF	September 2037	250.0
4	FMB	Series GGG	June 2039	300.0
5	FMB	Series HHH	May 2040	250.0
6	FMB	Series III	August 2040	500.0
7	FMB	Series LLL	November 2041	250.0
8	FMB	Series MMM	April 2042	250.0
9	FMB	Series NNN	September 2023	450.0
10	FMB	Series *PPP	February 2022	16.3
11	FMB	Series QQQ	May 2026	500.0
12	FMB	Series RRR	June 2047	400.0
13	FMB	Series SSS	May 2048	400.0
14	FMB	Series TTT	June 2049	400.0
15	FMB	Series UUU	April 2050	400.0
16	FMB	Series VVV	October 2030	800.0
17	FMB	Series WWW	August 2051	750.0
Total				6,416.3

¹ "FMB" = First Mortgage Bonds

Schedule XII
San Diego Gas & Electric Company

Remaining CPUC Authorities	Debt		Preferred	
	New	Roll-over	New	Roll-over
D.93-09-069	250.00	-	100.00	-
Bank loans	(37.17)	-	-	-
Series TT	(57.65)	-	-	-
Series UU	(16.70)	-	-	-
\$1.70 preferred	-	-	(35.00)	-
\$1.82 preferred	-	-	(16.64)	-
Series BBB (part)	(138.48)	-	-	-
Remaining authority	-	-	48.36	-
D.96-05-066	-	300.00	-	-
CPCFA96A	-	(129.82)	-	-
CV96A	-	(38.90)	-	-
CV96B	-	(60.00)	-	-
CV97A	-	(25.00)	-	-
CV2004 (part)	-	(46.28)	-	-
Remaining authority	-	-	-	-
D.00-01-016	-	200.00	-	-
CV2004 (part)	-	(200.00)	-	-
Remaining authority	-	-	-	-
D.04-01-009	551.43	108.58	4.00	76.00
CV2004 (part)	-	(4.99)	-	-
Series BBB (part)	(111.52)	-	-	-
Series CCC	(250.00)	-	-	-
Series DDD (part)	(189.91)	-	-	-
Series EEE (part)	-	(103.59)	-	-
Remaining authority	-	-	4.00	76.00
D.06-05-015	800.00	-	200.00	-
Series DDD (part)	(60.09)	-	-	-
Series EEE (part)	(57.65)	-	-	-
Series FFF	(250.00)	-	-	-
Series GGG	(300.00)	-	-	-
Series HHH (part)	(132.26)	-	-	-
Remaining authority	-	-	200.00	-
D.08-07-029	687.00	413.00	-	-
Series HHH (part)	(117.74)	-	-	-
Series III	(500.00)	-	-	-
Series JJJ (part)	(69.26)	-	-	-
Series NNN (part)	-	(189.87)	-	-
Series OOO (part)	-	(100.00)	-	-
Series SSS (part)	-	-	-	-
Series WWW (part)	-	(123.13)	-	-
Remaining authority	-	-	-	-
D.10-10-023	800.00	-	150.00	-
Series JJJ (part)	(280.74)	-	-	-
Series LLL	(250.00)	-	-	-
Series MMM	(250.00)	-	-	-
Series NNN (part)	(19.26)	-	-	-
Remaining authority	-	-	150.00	-
D.12-03-005	750.00	-	-	-
Series NNN (part)	(240.87)	-	-	-
366-day commercial paper (5/19/14)	(100.00)	-	-	-
Series OOO (part)	(40.00)	-	-	-
Series PPP	(250.00)	-	-	-
366-day commercial paper (11/20/15)	(53.70)	-	-	-
Series QQQ (part)	(65.43)	-	-	-
Remaining authority	-	-	-	-
D.15-08-011	1,000.00	300.00	-	-
Series QQQ (part)	(434.57)	-	-	-
Series RRR	(260.00)	(140.00)	-	-
Series SSS	(240.00)	(160.00)	-	-
Series TTT (part)	(65.43)	-	-	-
Remaining authority	-	-	-	-
D.18-02-012	750.00	300.00	-	-
Series TTT	(334.57)	-	-	-
Series UUU	(400.00)	-	-	-
Series VVV (part)	(15.43)	-	-	-
Series WWW (part)	-	(226.87)	-	-
Series XXX (part)	-	(73.13)	-	-
Remaining authority	-	-	-	-
D.20-04-015	2,300.00	730.00	-	-
Series VVV (part)	(784.57)	-	-	-
Series WWW (part)	(400.00)	-	-	-
2024 Term Loan	(200.00)	-	-	-
Series XXX (part)	-	(426.87)	-	-
Series YYY	(498.74)	(1.26)	-	-
Remaining authority	416.70	301.87	-	-
Total remaining authority, all decisions ⁽¹⁾	416.70	301.87	402.36	76.00

⁽¹⁾ Remaining Authority as of March 31, 2022

Attachment A

Original Cost and Depreciation Reserve

SAN DIEGO GAS & ELECTRIC COMPANY

**COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF SEPTEMBER 30, 2021**

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
ELECTRIC DEPARTMENT			
302	Franchises and Consents	222,841.36	202,900.30
303	Misc. Intangible Plant	192,327,420.84	171,034,561.64
	Intangible Contra Accounts	(979,446.23)	(587,459.08)
	TOTAL INTANGIBLE PLANT	191,570,815.97	170,650,002.86
310.1	Land	14,526,518.29	46,518.29
310.2	Land Rights	0.00	0.00
311	Structures and Improvements	91,430,413.60	54,402,794.78
312	Boiler Plant Equipment	164,294,063.74	98,489,639.43
314	Turbogenerator Units	133,511,708.78	67,093,555.55
315	Accessory Electric Equipment	86,961,890.56	53,264,204.79
316	Miscellaneous Power Plant Equipment	65,539,111.21	22,233,277.51
		0.00	0.00
	Palomar Contra E-316	(1,621,911.83)	(662,489.89)
	TOTAL STEAM PRODUCTION	554,641,794.35	294,867,500.46
340.1	Land	224,368.91	0.00
340.2	Land Rights	2,427.96	2,427.96
341	Structures and Improvements	24,895,662.62	12,636,003.96
342	Fuel Holders, Producers & Accessories	21,651,513.75	10,850,150.29
343	Prime Movers	94,499,877.71	56,380,689.16
344	Generators	327,198,489.71	161,912,072.04
345	Accessory Electric Equipment	32,888,863.01	19,299,032.92
346	Miscellaneous Power Plant Equipment	70,851,153.92	22,205,192.17
	TOTAL OTHER PRODUCTION	572,212,357.59	283,285,568.50
	TOTAL ELECTRIC PRODUCTION	1,126,854,151.94	578,153,068.96

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	80,294,985.16	0.00
350.2	Land Rights	172,455,914.38	29,633,543.03
352	Structures and Improvements	706,003,961.59	118,657,536.60
353	Station Equipment	2,106,461,888.07	515,287,726.96
354	Towers and Fixtures	926,884,636.77	248,242,430.28
355	Poles and Fixtures	956,300,281.08	168,440,655.57
355	Pole retirement error correction-top side	0.00	0.00
356	Overhead Conductors and Devices	853,407,343.78	282,952,061.15
357	Underground Conduit	559,305,264.60	99,888,512.76
358	Underground Conductors and Devices	569,020,673.87	99,670,302.70
359	Roads and Trails	367,439,469.20	53,894,978.18
	TOTAL TRANSMISSION	7,297,574,418.50	1,616,667,747.23
360.1	Land	17,456,813.30	0.00
360.2	Land Rights	96,511,119.82	50,070,190.41
361	Structures and Improvements	13,236,811.29	2,570,178.84
362	Station Equipment	657,037,773.13	275,678,574.88
363	Storage Battery Equipment	182,731,559.20	65,241,994.65
364	Poles, Towers and Fixtures	1,000,351,878.74	304,778,859.42
364	Pole retirement error correction-top side	0.00	0.00
365	Overhead Conductors and Devices	1,090,919,285.34	261,880,584.50
366	Underground Conduit	1,668,114,261.48	603,455,151.51
367	Underground Conductors and Devices	1,917,294,487.64	1,054,322,882.93
368.1	Line Transformers	755,096,036.54	266,808,817.66
368.2	Protective Devices and Capacitors	34,983,785.45	16,529,976.32
369.1	Services Overhead	269,854,564.48	105,088,422.99
369.2	Services Underground	403,963,883.17	280,430,467.49
370.1	Meters	213,371,428.79	138,892,998.89
370.2	Meter Installations	71,563,863.68	37,699,560.30
371	Installations on Customers' Premises	74,699,165.46	29,041,635.55
373.1	St. Lighting & Signal Sys.-Transformers	0.00	0.00
373.2	Street Lighting & Signal Systems	35,215,448.94	23,536,837.53
		0.00	(4,709,476.00)
	TOTAL DISTRIBUTION PLANT	8,502,402,166.45	3,511,317,657.87
389.1	Land	7,312,142.54	0.00
389.2	Land Rights	0.00	0.00
390	Structures and Improvements	45,469,034.54	29,424,683.73
392.1	Transportation Equipment - Autos	0.00	49,884.21
392.2	Transportation Equipment - Trailers	58,145.67	25,722.82
393	Stores Equipment	46,031.37	5,930.79
394.1	Portable Tools	39,900,796.35	12,536,701.36
394.2	Shop Equipment	278,147.42	232,240.02
395	Laboratory Equipment	5,336,019.09	1,631,293.84
396	Power Operated Equipment	60,528.93	117,501.67
397	Communication Equipment	403,747,284.81	168,140,441.98
398	Miscellaneous Equipment	3,283,046.75	1,393,600.90
	TOTAL GENERAL PLANT	505,491,177.47	213,558,001.32
101	TOTAL ELECTRIC PLANT	17,623,892,730.33	6,090,346,478.24

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
GAS PLANT			
302	Franchises and Consents	86,104.20	86,104.20
303	Miscellaneous Intangible Plant	0.00	0.00
	TOTAL INTANGIBLE PLANT	86,104.20	86,104.20
360.1	Land	0.00	0.00
361	Structures and Improvements	0.00	0.00
362.1	Gas Holders	0.00	0.00
362.2	Liquefied Natural Gas Holders	0.00	0.00
363	Purification Equipment	0.00	0.00
363.1	Liquefaction Equipment	0.00	0.00
363.2	Vaporizing Equipment	0.00	0.00
363.3	Compressor Equipment	0.00	0.00
363.4	Measuring and Regulating Equipment	0.00	0.00
363.5	Other Equipment	0.00	0.00
363.6	LNG Distribution Storage Equipment	2,168,803.11	1,471,715.53
	TOTAL STORAGE PLANT	2,168,803.11	1,471,715.53
365.1	Land	4,649,143.75	0.00
365.2	Land Rights	3,514,781.26	1,691,753.71
366	Structures and Improvements	22,250,754.97	12,030,326.82
367	Mains	450,224,142.81	99,856,426.68
368	Compressor Station Equipment	104,685,773.36	76,470,191.94
369	Measuring and Regulating Equipment	29,126,273.69	19,089,713.13
371	Other Equipment	2,820,111.41	363,671.65
	TOTAL TRANSMISSION PLANT	617,270,981.25	209,502,083.93
374.1	Land	1,514,272.84	0.00
374.2	Land Rights	8,519,345.65	7,579,540.27
375	Structures and Improvements	43,446.91	61,253.10
376	Mains	1,477,730,230.05	463,090,475.99
378	Measuring & Regulating Station Equipment	21,137,579.33	10,111,008.47
380	Distribution Services	485,564,860.58	309,778,418.30
381	Meters and Regulators	186,872,108.16	83,063,663.88
382	Meter and Regulator Installations	121,313,422.45	49,724,752.09
385	Ind. Measuring & Regulating Station Equipment	1,516,810.70	1,342,306.73
386	Other Property On Customers' Premises	0.00	0.00
387	Other Equipment	11,397,017.90	6,937,352.36
	TOTAL DISTRIBUTION PLANT	2,315,609,094.57	931,688,771.19

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	0.00	25,503.00
392.2	Transportation Equipment - Trailers	0.00	0.13
394.1	Portable Tools	22,140,750.53	5,052,769.83
394.2	Shop Equipment	63,820.21	32,499.57
395	Laboratory Equipment	0.00	(7,344.15)
396	Power Operated Equipment	0.00	(1,088.04)
397	Communication Equipment	2,256,363.98	1,087,252.25
398	Miscellaneous Equipment	465,787.29	186,473.37
	TOTAL GENERAL PLANT	24,926,722.01	6,376,065.96
101	TOTAL GAS PLANT	2,960,061,705.14	1,149,124,740.81
COMMON PLANT			
303	Miscellaneous Intangible Plant	2,555,893.38	470,502.07
303	Miscellaneous Intangible Plant	836,984,980.23	426,952,034.83
	Common Contra Account	(4,128,951.21)	(1,838,550.83)
350.1	Land	0.00	0.00
360.1	Land	0.00	0.00
389.1	Land	7,494,796.01	0.00
389.2	Land Rights	27,776.34	27,776.34
390	Structures and Improvements	552,264,123.35	190,338,360.05
391.1	Office Furniture and Equipment - Other	40,879,114.82	14,622,572.63
391.2	Office Furniture and Equipment - Computer E	123,742,408.14	55,570,698.61
	Common Contra Account	(19,579.43)	(12,491.14)
392.1	Transportation Equipment - Autos	406,252.33	276,038.77
392.2	Transportation Equipment - Trailers	107,977.72	17,640.12
392.3	Transportation Equipment - Aviation	12,139,287.63	4,352,100.81
393	Stores Equipment	332,982.68	68,530.04
394.1	Portable Tools	1,520,840.18	660,471.37
394.2	Shop Equipment	142,759.33	98,192.92
394.3	Garage Equipment	1,837,003.62	645,724.12
395	Laboratory Equipment	1,731,094.98	998,373.00
396	Power Operated Equipment	0.00	(192,979.10)
397	Communication Equipment	346,325,548.22	126,216,365.21
398	Miscellaneous Equipment	3,585,062.47	774,810.60
118.1	TOTAL COMMON PLANT	1,927,929,370.79	820,046,170.42
	TOTAL ELECTRIC PLANT	17,623,892,730.33	6,090,346,478.24
	TOTAL GAS PLANT	2,960,061,705.14	1,149,124,740.81
	TOTAL COMMON PLANT	1,927,929,370.79	820,046,170.42
101 & 118.1	TOTAL	22,511,883,806.26	8,059,517,389.47
101	PLANT IN SERV-SONGS FULLY RECOVERE	0.00	0.00
101	PLANT IN SERV-ELECTRIC NON-RECON		
	Electric	0.00	0.00
	Gas	0.00	0.00
	Common	0.00	0.00
		0.00	0.00

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	PLANT IN SERV-CLOUD CONTRA		
	Electric	0.00	0.00
	Common	(2,555,893.38)	(470,502.06)
		<u>(2,555,893.38)</u>	<u>(470,502.06)</u>
101	PLANT IN SERV-PP TO SAP OUT OF BAL		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
118	PLANT IN SERV-COMMON NON-RECON		
	Common - Transferred Asset Adjustment	(1,494,846.06)	(1,494,846.06)
		<u>(1,494,846.06)</u>	<u>(1,494,846.06)</u>
101	Accrual for Retirements		
	Electric	(16,389,520.96)	(16,389,520.96)
	Gas	(119,197.76)	(119,197.76)
		<u>(119,197.76)</u>	<u>(119,197.76)</u>
	TOTAL PLANT IN SERV-ACCRUAL FOR RE	<u>(16,508,718.72)</u>	<u>(16,508,718.72)</u>
102	Electric	0.00	0.00
	Gas	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
	TOTAL PLANT PURCHASED OR SOLD	<u>0.00</u>	<u>0.00</u>
104	Electric	112,194,000.02	30,318,362.01
	Gas	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
	TOTAL PLANT LEASED TO OTHERS	<u>112,194,000.02</u>	<u>30,318,362.01</u>
105	Plant Held for Future Use		
	Electric	0.00	0.00
	Gas	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
	TOTAL PLANT HELD FOR FUTURE USE	<u>0.00</u>	<u>0.00</u>
107	Construction Work in Progress		
	Electric	1,168,688,168.80	
	Gas	171,619,306.46	
	Common	309,576,400.23	
		<u>309,576,400.23</u>	
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>1,649,883,875.49</u>	<u>0.00</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
108.5	Accumulated Nuclear Decommissioning Electric	<u>0.00</u>	<u>1,002,372,872.27</u>
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	<u>0.00</u>	<u>1,002,372,872.27</u>
101.1	ELECTRIC CAPITAL LEASES	1,307,422,019.46	84,718,944.73
118.1	COMMON CAPITAL LEASE	<u>76,864,671.05</u>	<u>21,200,581.63</u>
		1,384,286,690.51	105,919,526.36
143	FAS 143 ASSETS - Legal Obligation	40,223,457.08	(994,022,774.29)
	SONGS Plant Closure - FAS 143 contra	0.00	0.00
	FIN 47 ASSETS - Non-Legal Obligation	139,869,876.96	52,285,977.05
143	FAS 143 ASSETS - Legal Obligation	<u>0.00</u>	<u>(1,975,708,388.95)</u>
	TOTAL FAS 143	180,093,334.04	(2,917,445,186.19)
	UTILITY PLANT TOTAL	<u>25,817,782,248.16</u>	<u>6,262,208,897.08</u>

Attachment B

Balance Sheet, Income Statement and Financial Statement

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SEP 2021

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$	4,541,329,686
401	OPERATING EXPENSES	2,636,546,245		
402	MAINTENANCE EXPENSES	197,780,551		
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	644,821,578		
408.1	TAXES OTHER THAN INCOME TAXES	157,983,247		
409.1	INCOME TAXES	37,697,823		
410.1	PROVISION FOR DEFERRED INCOME TAXES	218,153,398		
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(90,333,766)		
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(349,111)		
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-		
	TOTAL OPERATING REVENUE DEDUCTIONS			<u>3,802,299,965</u>
	NET OPERATING INCOME			739,029,721

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-		
417	REVENUES OF NONUTILITY OPERATIONS	-		
417.1	EXPENSES OF NONUTILITY OPERATIONS	(7,597,419)		
418	NONOPERATING RENTAL INCOME	27,818		
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-		
419	INTEREST AND DIVIDEND INCOME	5,840,618		
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	62,813,700		
421	MISCELLANEOUS NONOPERATING INCOME	189,789		
421.1	GAIN ON DISPOSITION OF PROPERTY	2,015,252		
	TOTAL OTHER INCOME	<u>63,289,758</u>		
421.2	LOSS ON DISPOSITION OF PROPERTY	-		
425	MISCELLANEOUS AMORTIZATION	187,536		
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	25,962,785		
	TOTAL OTHER INCOME DEDUCTIONS	<u>\$ 26,150,321</u>		
408.2	TAXES OTHER THAN INCOME TAXES	599,208		
409.2	INCOME TAXES	(2,402,854)		
410.2	PROVISION FOR DEFERRED INCOME TAXES	47,724,696		
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(42,253,172)		
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>\$ 3,667,878</u>		
	TOTAL OTHER INCOME AND DEDUCTIONS		\$	<u>33,471,559</u>
	INCOME BEFORE INTEREST CHARGES			772,501,280
	EXTRAORDINARY ITEMS AFTER TAXES			-
	NET INTEREST CHARGES*			<u>169,948,615</u>
	NET INCOME		\$	<u><u>602,552,665</u></u>

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$18,763,475)

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SEP 2021

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$ 6,079,146,682
NET INCOME (FROM PRECEDING PAGE)	602,552,665
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	-
DIVIDENDS DECLARED - COMMON STOCK	
OTHER RETAINED EARNINGS ADJUSTMENTS	
RETAINED EARNINGS AT END OF PERIOD	<u>\$ 6,681,699,347</u>

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEP 2021

5. PROPRIETARY CAPITAL

		2021
201	COMMON STOCK ISSUED	\$ 291,458,395
204	PREFERRED STOCK ISSUED	-
207	PREMIUM ON CAPITAL STOCK	591,282,978
210	GAIN ON RETIRED CAPITAL STOCK	-
211	MISCELLANEOUS PAID-IN CAPITAL	802,165,368
214	CAPITAL STOCK EXPENSE	(24,605,640)
216	UNAPPROPRIATED RETAINED EARNINGS	6,681,699,347
219	ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>(9,329,502)</u>
	 TOTAL PROPRIETARY CAPITAL	 <u>\$ 8,332,670,946</u>

6. LONG-TERM DEBT

221	BONDS	\$ 6,417,859,000
223	ADVANCES FROM ASSOCIATED COMPANIES	-
224	OTHER LONG-TERM DEBT	-
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>(17,144,731)</u>
	 TOTAL LONG-TERM DEBT	 <u>\$ 6,400,714,269</u>

7. OTHER NONCURRENT LIABILITIES

227	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	\$ 1,308,169,764
228.2	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	26,724,300
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	67,215,598
228.4	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
244	LONG TERM PORTION OF DERIVATIVE LIABILITIES	14,375,694
230	ASSET RETIREMENT OBLIGATIONS	<u>873,398,302</u>
	 TOTAL OTHER NONCURRENT LIABILITIES	 <u>\$ 2,289,883,658</u>

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEP 2021

8. CURRENT AND ACCRUED LIABILITIES

	2021
231 NOTES PAYABLE	\$ 375,000,000
232 ACCOUNTS PAYABLE	661,866,975
233 NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234 ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	60,483,526
235 CUSTOMER DEPOSITS	42,938,542
236 TAXES ACCRUED	62,361,327
237 INTEREST ACCRUED	73,550,844
238 DIVIDENDS DECLARED	-
241 TAX COLLECTIONS PAYABLE	9,311,419
242 MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	289,927,697
243 OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	50,654,134
244 DERIVATIVE INSTRUMENT LIABILITIES	34,891,718
244 LESS: LONG-TERM PORTION OF DERIVATIVE LIABILITIES	(14,375,694)
245 DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 1,646,610,488

9. DEFERRED CREDITS

252 CUSTOMER ADVANCES FOR CONSTRUCTION	\$ 120,477,963
253 OTHER DEFERRED CREDITS	455,598,366
254 OTHER REGULATORY LIABILITIES	2,230,131,650
255 ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	13,028,758
257 UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281 ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282 ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	1,901,002,349
283 ACCUMULATED DEFERRED INCOME TAXES - OTHER	389,807,172
	<hr/>
TOTAL DEFERRED CREDITS	5,110,046,258
	<hr/>
TOTAL LIABILITIES AND OTHER CREDITS	\$ 23,779,925,619

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SEP 2021

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$	4,541,329,686
401	OPERATING EXPENSES	2,636,546,245		
402	MAINTENANCE EXPENSES	197,780,551		
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	644,821,578		
408.1	TAXES OTHER THAN INCOME TAXES	157,983,247		
409.1	INCOME TAXES	37,697,823		
410.1	PROVISION FOR DEFERRED INCOME TAXES	218,153,398		
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(90,333,766)		
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(349,111)		
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-		
	TOTAL OPERATING REVENUE DEDUCTIONS			<u>3,802,299,965</u>
	NET OPERATING INCOME			739,029,721

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-		
417	REVENUES OF NONUTILITY OPERATIONS	-		
417.1	EXPENSES OF NONUTILITY OPERATIONS	(7,597,419)		
418	NONOPERATING RENTAL INCOME	27,818		
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-		
419	INTEREST AND DIVIDEND INCOME	5,840,618		
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	62,813,700		
421	MISCELLANEOUS NONOPERATING INCOME	189,789		
421.1	GAIN ON DISPOSITION OF PROPERTY	2,015,252		
	TOTAL OTHER INCOME	<u>63,289,758</u>		
421.2	LOSS ON DISPOSITION OF PROPERTY	-		
425	MISCELLANEOUS AMORTIZATION	187,536		
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	25,962,785		
	TOTAL OTHER INCOME DEDUCTIONS	<u>\$ 26,150,321</u>		
408.2	TAXES OTHER THAN INCOME TAXES	599,208		
409.2	INCOME TAXES	(2,402,854)		
410.2	PROVISION FOR DEFERRED INCOME TAXES	47,724,696		
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(42,253,172)		
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>\$ 3,667,878</u>		
	TOTAL OTHER INCOME AND DEDUCTIONS		\$	<u>33,471,559</u>
	INCOME BEFORE INTEREST CHARGES			772,501,280
	EXTRAORDINARY ITEMS AFTER TAXES			-
	NET INTEREST CHARGES*			<u>169,948,615</u>
	NET INCOME		\$	<u><u>602,552,665</u></u>

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$18,763,475)

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SEP 2021

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$ 6,079,146,682
NET INCOME (FROM PRECEDING PAGE)	602,552,665
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	-
DIVIDENDS DECLARED - COMMON STOCK	
OTHER RETAINED EARNINGS ADJUSTMENTS	
RETAINED EARNINGS AT END OF PERIOD	<u>\$ 6,681,699,347</u>

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
September 30, 2021

(a) Amounts and Kinds of Stock Authorized:				
Common Stock		255,000,000	shares	Without Par Value
Amounts and Kinds of Stock Outstanding:				
Common Stock		116,583,358	shares	291,458,395

(b) Brief Description of Mortgage:

Full information as to this item is given in Decision Nos. 04-01-009, 06-05-015, 08-07-029, 10-10-023, 12-03-005, 15-08-011, 18-02-012, and 20-04-015 to which references are hereby made.

(c) Number and Amount of Bonds Authorized and Issued:

First Mortgage Bonds:	Nominal Date of Issue	Par Value Authorized and Issued	Outstanding	Interest Paid as of Q4' 2020
5.875% Series VV, due 2034	06-17-04	43,615,000	0	2,683,106
5.875% Series WW, due 2034	06-17-04	40,000,000	0	2,460,718
5.875% Series XX, due 2034	06-17-04	35,000,000	0	2,153,128
5.875% Series YY, due 2034	06-17-04	24,000,000	0	1,476,431
5.875% Series ZZ, due 2034	06-17-04	33,650,000	0	2,070,079
4.00% Series AAA, due 2039	06-17-04	75,000,000	0	3,891,667
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
6.00% Series DDD, due 2026	06-08-06	250,000,000	250,000,000	15,000,000
6.125% Series FFF, due 2037	09-20-07	250,000,000	250,000,000	15,312,500
6.00% Series GGG, due 2039	05-14-09	300,000,000	300,000,000	18,000,000
5.35% Series HHH, due 2040	05-13-10	250,000,000	250,000,000	13,375,000
4.50% Series III, due 2040	08-26-10	500,000,000	500,000,000	22,500,000
3.00% Series JJJ, due 2021	08-18-11	350,000,000	0	10,500,000
3.95% Series LLL, due 2041	11-17-11	250,000,000	250,000,000	9,875,000
4.30% Series MMM, due 2042	03-22-12	250,000,000	250,000,000	10,750,000
3.60% Series NNN, due 2023	09-09-13	450,000,000	450,000,000	16,200,000
1.9140% Series PPP, due 2022	03-12-15	250,000,000	9,794,167	1,538,062
2.50% Series QQQ, due 2026	05-19-16	500,000,000	500,000,000	12,500,000
3.75% Series RRR, due 2047	06-08-17	400,000,000	400,000,000	15,000,000
4.15% Series SSS, due 2048	05-17-18	400,000,000	400,000,000	16,600,000
4.10% Series TTT, due 2049	05-31-19	400,000,000	400,000,000	16,400,000
3.32% Series UUU, due 2050	04-07-20	400,000,000	400,000,000	6,935,111
1.70% Series VVV, due 2030	09-22-20	800,000,000	800,000,000	-
2.95% Series WWW, due 2051	08-13-21	750,000,000	750,000,000	-
Total First Mortgage Bonds:			6,409,794,167	228,595,802
Total Bonds:				228,595,802

Line Of Credit Drawdown	03-16-20	0	0	1,056,694
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TOTAL LONG-TERM DEBT			6,409,794,167	
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1. Bond series PPP reduced by SONGS regulatory asset per 2014 SONGS settlement agreement.

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT

September 30, 2021

Other Indebtedness	Date of Issue	Date of Maturity	Interest Rate	Outstanding	Interest Paid 2020
Commercial Paper & ST Bank Loans	Various	Various	Various	375,000,000	\$2,586,282

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

Preferred Stock	Shares Outstanding	2016	2017	2018	2019	2020
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	-	-	-	-	-	-

Common Stock	2016	2017	2018	2019	2020
Dividend to Parent [1]	175,000,000	450,000,000	250,000,000	-	200,000,000

[1] San Diego Gas & Electric Company dividend to parent.

Attachment C

Regulatory Capitalization Schedule

ATTACHMENT C
San Diego Gas & Electric Company Total Regulatory Capitalization
September 30, 2021
(\$ Millions)

No.	Interest %	Bond	Maturity	Principal (\$ millions)
1	5.875%	SERIES VV (CV2004A)	2/15/34	0.0
2	5.875%	SERIES WW (CV2004B)	2/15/34	0.0
3	5.875%	SERIES XX (CV2004C)	2/15/34	0.0
4	5.875%	SERIES YY (CV2004D)	1/01/34	0.0
5	5.875%	SERIES ZZ (CV2004E)	1/01/34	0.0
6	4.000%	SERIES AAA (CV2004F)	5/01/39	0.0
7	5.350%	SERIES BBB	5/15/35	250.0
8	6.000%	SERIES DDD	6/1/26	250.0
9	6.125%	SERIES FFF	9/15/37	250.0
10	6.000%	SERIES GGG	6/1/39	300.0
11	5.350%	SERIES HHH	5/15/40	250.0
12	4.500%	SERIES III	8/15/40	500.0
13	3.000%	SERIES JJJ	8/15/21	0.0
14	3.950%	SERIES LLL	11/15/41	250.0
15	4.300%	SERIES MMM	4/1/42	250.0
16	3.600%	SERIES NNN	9/1/23	450.0
17	1.914%	SERIES PPP	2/1/22	9.8
18	2.500%	SERIES QQQ	5/15/26	500.0
19	3.750%	SERIES RRR	6/1/47	400.0
20	4.150%	SERIES SSS	5/15/48	400.0
21	4.100%	SERIES TTT	6/15/49	400.0
22	3.320%	SERIES UUU	4/15/50	400.0
23	1.700%	SERIES VVV	10/1/30	800.0
24	2.950%	SERIES WWW	8/15/51	750.0
Total First Mortgage Bonds				6,409.8

TOTAL LT-DEBT BEFORE Unamortized discounts, issue expenses & losses on reacquired debt net of tax	6,409.8
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Unamortized discounts	(17.1)
Unamortized issue expenses	(44.8)
Unamortized losses on reacquired debt net of tax	(6.7)
Total Unamortized Debt (less discounts, issue expenses & losses on reacquired debt net of tax)	(68.6)

TOTAL LT-DEBT NET of Unamortized discounts, issue expenses & losses on reacquired debt net of tax	6,341.2
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Equity Capital	
Common Stock Equity	8,332.7
Total Equity	8,332.7

TOTAL REGULATORY CAPITALIZATION	14,673.9
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